GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2235
ANSWERED ON:28.07.2017
GST on Crackers Industry
Radhakrishnan Shri T.

Will the Minister of FINANCE be pleased to state:

(a) whether the Goods and Services Tax (GST) hike for crackers from 12 percent to 28 percent and matches from 6 percent to 12 percent could spell doom for the industries which provided jobs for about 10 lakh uneducated labourers in Virudhunagar district, Tamil Nadu and if so, the details thereof;

(b) whether the GST hike for crackers would help cheap import of Chinese crackers and severely affect Indian cracker industry and if so, the details thereof;

(c) whether the Union Government has received any representation from the State Government to reduce the GST on crackers and matches; and

(d) if so, the response of the Union Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): Taking into consideration Pre-GST tax incidence the GST Council has recommended 28% rate on fireworks and 18% on matches. Handmade matches however, attract 5% GST. Imports of these goods, in addition to the applicable Basic Customs duty, will also attract IGST at the same rate, that is 28%, 18% and 5% as the case may be.
(c) & (d): Representations have been received seeking reduction in GST rate on fireworks and safety matches, which has been examined and not acceded to.

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